



FY2010

**Fleet Management Division
BUSINESS PLAN**

July, 2009

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EXECUTIVE SUMMARY

This plan reflects the operating philosophy of the Fleet Management Division to follow a strategic plan that will serve as a guide to achieve our goals of superior customer service and quantifiable performance improvement. This is a working document that will be modified and updated to reflect the City of Fresno's priorities and the changing needs of our internal customers.

Fleet Management is a division of the General Services Department. The division operates as an internal service fund and is funded by billing clients for services rendered. We desire for our organization to be dynamic and alive. To do so we constantly evaluate our current operation and the way we are doing business. We tinker, experiment, and explore what's possible to improve the overall effectiveness of what we produce. We are creative, adaptive and not fearful of change. Although we seek large improvement opportunities, we value each employee's role to look for the small incremental improvements which contribute to this process. This teamwork approach will produce significant tangible improvement for the entire operation.

Fleet Management procures, maintains, and repairs all City vehicles and equipment other than fire apparatus and FAX buses. Maintenance is performed on a diverse 2,100 unit fleet ranging from patrol cars to refuse trucks to pickups to construction vehicles.

Additionally, Fleet Management is responsible for maintaining emergency generators, renting construction equipment, disposal of vehicles at the end of economic life cycles, and is a diversified shop that provides welding, machining, project design, and metal fabrication service to City customers. Equipment fueling service is provided through a state-of-the-art fully automated system. The division provides its customers with monthly billings generated by a three-tier client computer system called FleetFocus. The division's performance is tracked through key performance benchmarks and customer feedback. Customer communication occurs through daily conversation, bi-annual liaison meetings, operator questionnaires, and an annual customer service evaluation survey.

Fleet Management also administers the Fleet Replacement Program. This program was designed to provide timely replacement of City vehicles and equipment. Replacement funding is calculated using the straight-line depreciation method and revenues are received into the fund through monthly interdepartmental (ID) billings.

The mission of the Fleet Replacement Program is to replace vehicles before maintenance costs enter the penalty phase of the vehicles economic life cycle. The penalty phase is that point where the maintenance cost associated with the continued use of a vehicle exceeds the average cost of other vehicles in the same class. Classes are grouped using established industry and historical information for specific vehicle groupings (i.e. one-half ton trucks, one-ton trucks, sedans, etc.). Timely vehicle replacement is imperative to operating a cost-effective fleet program.

The acquisition process is multi-faceted and involves application design, bid specification development, procurement, and verification that equipment purchased meets specifications. When vehicles are beyond their economic life, their replacement is funded by the cumulative total of the fund payments, accrued interest generated by the fund, and the salvage value of the replaced vehicle. This program provides for timely vehicle and equipment replacement, and benefits customers through predictable fleet replacement budget planning. The goal is to purchase the best equipment for our customers at the lowest life cycle cost.

This business plan is based on a service philosophy built on four cornerstones:

- Create technical and professional excellence
- Establish a high level of customer responsiveness
- Manage a strategic plan
- Recognize the Importance and value of our employees as Individuals and team members

Fleet Management ambitiously endeavors to embody the Organizational Culture outlined on Page 5. The City Vision and Values listed have been integrated into the mission of the Fleet Management Division and are important components in this Business Plan.

The key objectives of Customer Satisfaction, Employee Satisfaction and Financial Management in balance are the cornerstones upon which Fleet Management's business foundation is built.

All Fleet Management staff are committed to "break through the barriers that hold us back" to truly embody Fresno's culture of excellence where people get the best every day.

Vision

To provide a comprehensive fleet management program which responsively fulfills the vehicle and equipment needs of City customers through cost-effective and dedicated personal service.

ORGANIZATIONAL CULTURE

Vision

Fresno: A culture of excellence where people get the best every day.

Values

The Values which support this Vision are brought to mind by the acronym "ACT IT," as follows: Accountability Compassion Trust Innovation Teamwork. GSD wholeheartedly embraces the City Vision and Values.

We are committed to live out the City Vision and Values each and every day as we strive to deliver the "best service at the best value anywhere" to our customers. Customer service is and always will be our top priority. Our most valuable resource is the department's dedicated staff and our commitment to them is to provide a work environment that motivates, fulfills and instills pride within a framework for success built on the City Vision & Values.

Accountability

By this we mean we take personal responsibility for our actions. We accept responsibility for the overall outcome of the services we deliver to our customers. We expect to be held accountable for the effectiveness, efficiency, competitiveness and customer satisfaction level of these services.

Compassion

By this we mean we care about and respect people. We listen with full attention and seek to understand each other and most importantly, our customer. We treat others with respect & courtesy, most especially our customers. We express our appreciation to each other for work well done and to our customers for their support because we well recognize that without them we would not be here.

Trust

By that we mean we believe in each other. We treat setbacks as learning opportunities to provide better service in the future. We keep our word and take customer service commitments seriously. We're open to the Ideas of others as we realize there may always be "a better way" and constantly seek these opportunities.

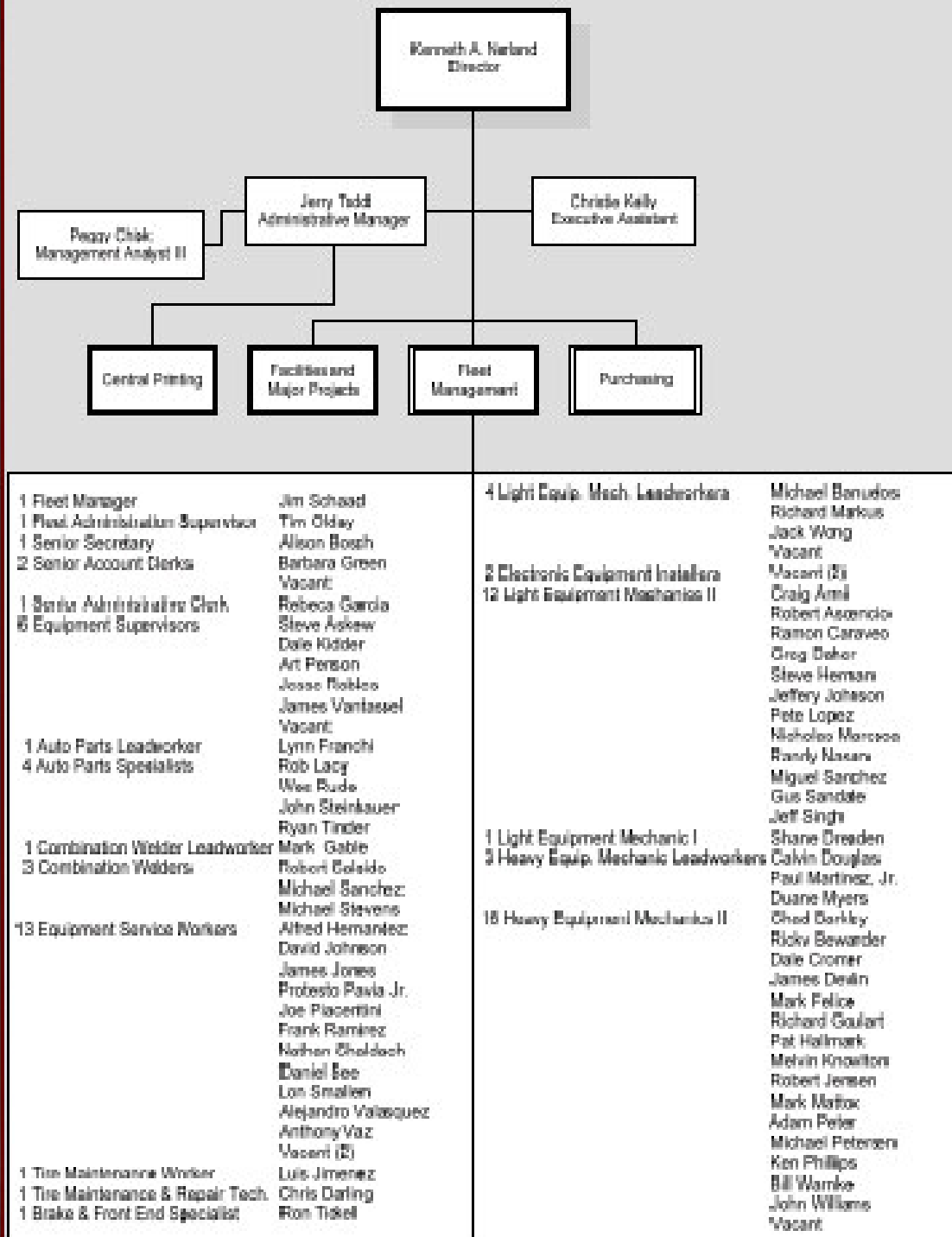
Innovation

By that we mean we seek new and creative ways to improve our business. We value our employees and foster a work environment that facilitates brainstorming where Ideas to provide better customer service thrive.

Teamwork

By that we mean we work together to achieve the City Vision. We utilize our team members' talents regardless of position and hold each other accountable for performance. We recognize and appreciate the efforts and successes of GSD team members.

ORGANIZATIONAL CHART



SERVICES

The Fleet Management Division manages and maintains the City's fleet which consists of 2,100 vehicles and equipment valued at approximately \$112 million. In addition, Fleet manages an annual Capital Acquisition Budget of more than \$9 million. Services provided by the division include:

Fleet Engineering Services

- Equipment replacement planning
- Specification development
- Equipment acquisition
- Equipment Upfitting
- Equipment Retirement/Sales
- Operator training (new equipment)
- Research and development
- Alternative fuels program

Fleet Management Services

- Policy development
- Fleet consultation/advice
- Information services
- Administrative (e.g., permits, licensing, fuel system)
- Long-term leasing
- Alternative fuel compliance

Preventative Maintenance Services

- Lubrication/oil and fluid change
- Emission Inspections
- Compliance Inspections
- Equipment Inspection

Equipment and Repair Services

- In-shop repairs – scheduled/unscheduled/emergency
- Field repairs – scheduled/unscheduled/emergency
- Warranty service
- Metal fabrication
- Modifications to equipment
- Welding
- 24/7 Emergency response

Equipment Support Services

- Dispatch for equipment rentals
- Accident investigations
- Failure analysis
- Vehicle towing
- Equipment cleaning
- Operator training (fleet equipment)
- Auto parts warehousing
- Fuel Island services
- Fueling service (onsite/offsite)
- Vehicle Upfitting

Tire Repair/Replacement Services (onsite/offsite)

- Failure analysis
- Tire warranty service

Fleet cost accounting with major application software tools

- FleetFocus
- E.J. Ward Fuel Management System
- Peoplesoft
- BRASS
- Microsoft Office
- Fleet Counselor Services (FCS)

CURRENT OPERATING ENVIRONMENT

External Environment

- Regulations surrounding diesel emissions, dependency on foreign oil, and Alternate Fuel Vehicles (AFVs)
- Compliance with EPA will continue to be a challenge to integrate into City operations
- Compliance with the Department of Transportation (DOT)
- Rapidly changing technology in the automotive field
- Shortage in mechanic/technical skills
- Rising cost of motor fuel
- The need to stay in tune with rates charged and services provided by outside service providers

Internal Environmental

- Fleet Management will continue to be a resource steward for the City vehicle fleet in providing maintenance and fleet management services.
- Internal customer organizations and resource/operating requirements will continue to evolve and change to keep pace with the business environment.

Regulatory Requirements

Dependency on foreign oil, environmental pressure, and federal energy policy will continue to drive regulation surrounding the transportation industry. There is almost assured changes in federal priorities, which will impact fleet operations.

Fleet Management is regulated by the following regulatory agencies.

- Department of Energy (DOE)
- Department of Transportation (DOT)
- Environmental Protection Agency (EPA)
- State of California
- San Joaquin Valley Air Pollution Control District (SJVUAPCD)

FINANCIAL/OPERATING INFORMATION

Fleet Management

	2007	2008	2009	2010
Resources Required	Actual	Actual	Actual	Adopted
Personnel Services	\$3,849,144	\$4,194,298	\$4,535,900	\$4,353,900
Operating	\$13,580,101	\$14,725,615	\$16,163,500	\$14,558,600
Interdepartmental Services	\$1,426,300	\$1,870,865	\$1,522,100	\$1,640,100
Contingencies	\$0	\$0	\$20,800	\$0
Total	\$18,835,545	\$20,790,778	\$22,242,300	\$20,550,600

Fleet Acquisition

	2007	2008	2009	2010
Resources Required	Actual	Actual	Actual	Adopted
Personnel Services	\$302,641	\$448,485	\$524,800	\$592,600
Operating	\$12,863,030	\$15,605,592	\$16,135,000	\$8,851,600
Interdepartmental Services	\$418,079	\$485,666	\$371,200	\$483,700
Contingencies			\$5,400	
Total	\$13,583,750	\$16,539,743	\$17,036,400	\$10,027,900